

**HUMAN SERVICES DEPARTMENT[441]**

**Notice of Intended Action**

**Proposing rule making related to public assistance terminology  
and providing an opportunity for public comment**

The Human Services Department hereby proposes to amend Chapter 11, “Collection of Public Assistance Debts,” Iowa Administrative Code.

*Legal Authority for Rule Making*

This rule making is proposed under the authority provided in Iowa Code sections 217.6 and 234.6.

*State or Federal Law Implemented*

This rule making implements, in whole or in part, Iowa Code sections 217.6 and 234.6.

*Purpose and Summary*

Chapter 11 was reviewed as part of the Department’s five-year rules review process. Iowa has formally changed the Food Assistance program’s name from Food Assistance to Supplemental Nutrition Assistance Program (SNAP), and this chapter is proposed to be updated to reflect that change. In addition, this chapter is proposed to be updated because the definition of “debtor” for Medicaid is inconsistent with the definition used elsewhere in administrative rules. The proposed change would align the definition of “debtor” in this chapter with that in Chapter 75. Additional proposed changes include removing references to forms that are no longer used as well as updating language to include correct groups under the definition of “public assistance.”

*Fiscal Impact*

This rule making has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rule making, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to rule 441—1.8(17A,217).

*Public Comment*

Any interested person may submit written comments concerning this proposed rule making. Written comments in response to this rule making must be received by the Department no later than 4:30 p.m. on July 5, 2022. Comments should be directed to:

Nancy Freudenberg  
Department of Human Services  
Hoover State Office Building, Fifth Floor  
1305 East Walnut Street  
Des Moines, Iowa 50319-0114  
Email: [appeals@dhs.state.ia.us](mailto:appeals@dhs.state.ia.us)

## *Public Hearing*

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)“b,” an oral presentation regarding this rule making may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

## *Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rule-making actions are proposed:

ITEM 1. Amend rule **441—11.1(217)**, definitions of “Debtor,” “Public assistance” and “Repayment agreement,” as follows:

“*Debtor*” shall mean a current or former recipient of public assistance that has been determined by the department to be responsible for the repayment of a particular debt. For ~~food assistance supplemental nutrition assistance program (SNAP)~~, “debtor” shall include all adult members of the ~~food assistance SNAP~~ household participating at the time the ~~food assistance SNAP~~ overpayment or program violation occurred and shall include nonrecipients found guilty of violating ~~food assistance program SNAP~~ rules by committing an act such as, but not limited to, trafficking. For child care assistance, “debtor” may include the current or former provider or current or former recipient of child care assistance. For Medicaid, “debtor” shall include any current or former Medicaid member or nonmember, or the parents of a current or former Medicaid member who was under the age of 21 when the parents completed the application and had responsibility for reporting changes, who fraudulently receives received services or benefits as a result of client or agency error or administrative overpayment or who owes a debt of unpaid premium payments for medical assistance.

“*Public assistance*” shall mean family investment program, ~~food assistance SNAP~~, Medicaid, state supplementary assistance, PROMISE JOBS, child care assistance, refugee cash assistance, ~~IowaCare~~, and ~~HAWK-I hawki~~ program.

“*Repayment agreement*” shall mean an agreement entered into voluntarily between the department and the debtor for the repayment of debts. Agreements shall be made on Form 470-0495 or 470-0495(S), Agreement to Pay a Debt, or on a notice of debt listed in subrule 11.2(2).

ITEM 2. Amend subrule 11.2(2) as follows:

**11.2(2) Notice of debt.** A claim is established when the first notice of the debt is issued to the household on one of the following forms:

- a. Form 470-0338 ~~470-2891, Demand Letter for Food Assistance Agency Error Overissuance (no longer issued)~~ Notice of Medical Assistance Overpayment.
- b. Form 470-2616 ~~470-4179, Demand Letter for FIP/RCA Agency Error Overissuance (no longer issued)~~ Notice of SNAP Debt.
- c. Form 470-2891 ~~470-4530, Notice of Medical Assistance~~ Child Care Assistance Overpayment.
- d. Form 470-3486 ~~470-4668, Demand Letter for Food Assistance Intentional Program Violation Overissuance (no longer issued)~~ Notice of SNAP Overpayment.
- e. Form 470-3487 ~~470-4683, Demand Letter for Food Assistance Inadvertent Household Error Overissuance (no longer issued)~~ Notice of FIP or RCA Overpayment.
- f. Form 470-3490 ~~470-4668, Demand Letter for FIP/RCA Client Error Overissuance (no longer issued)~~ Notice of PROMISE JOBS Overpayment.
- g. ~~Form 470-3984, Notice of Healthy and Well Kids in Iowa (HAWK-I) Premium Overpayment.~~

~~h. Form 470-3990, Demand Letter for PROMISE JOBS Agency Error Overissuance (no longer issued).~~

~~i. Form 470-3991, Demand Letter for PROMISE JOBS Client Error Overissuance (no longer issued).~~

~~j. Form 470-3992, Demand Letter for PROMISE JOBS Provider Error Overissuance (no longer issued).~~

~~k. Form 470-4179, Notice of Food Assistance Debt.~~

~~l. Form 470-4530, Notice of Child Care Assistance Overpayment.~~

~~m. Form 470-4668, Notice of Food Assistance Overpayment.~~

~~n. Form 470-4683, Notice of FIP or RCA Overpayment.~~

~~o. Form 470-4688, Notice of PROMISE JOBS Overpayment.~~

ITEM 3. Amend paragraph **11.3(1)“b”** as follows:

b. For ~~food assistance~~ SNAP, payment shall be applied first to all debts with an agreement and then to debts without an agreement. Within those two groupings, payment shall be applied in the following order:

- (1) First to state-only debts in chronological order of discovery,
- (2) Then to intentional program violation (IPV) debts in chronological order of discovery,
- (3) Then to inadvertent household error (IHE) debts in chronological order of discovery, and
- (4) Then to agency error debts in chronological order of discovery.

ITEM 4. Amend subrule 11.3(2) as follows:

**11.3(2)** *Application of payment to multiple program areas.* If there are debts in more than one program area of public assistance, payments received shall be applied to those program areas as indicated by the mode of repayment (~~food assistance~~ SNAP benefits, FIP benefits) or as indicated by the client at the time of payment.

ITEM 5. Amend paragraph **11.5(1)“a”** as follows:

a. Debtors not participating in ~~the food assistance program~~ SNAP shall be subject to collection action through the treasury offset program (TOP) which includes, but is not limited to, federal salary offset and federal tax refund offset.

(1) Debtors shall be referred to TOP if they are delinquent in repaying their ~~food assistance~~ SNAP debt and there is a claim or combination of claims with an unpaid balance which exceeds \$25.

(2) No claim which is less than three months old or more than ten years old as of January 31 of the offset year shall be referred. EXCEPTION: Claims which have had a final judgment entered are not subject to the ten-year time limit.

(3) Debtors are delinquent in repaying their ~~food assistance~~ SNAP debt if:

1. A repayment agreement has not been signed and 120 days have elapsed since the due date of the demand letter as defined in 441—subrule 65.21(4) minus any days the claim was not subject to collection action because of an appeal.

2. A repayment agreement has been signed but the debtor has failed to make the agreed-upon payments and has failed to make up the missed payments. The debtor shall be referred to TOP when 120 days have elapsed since the first of the month following the month that the debtor failed to make the agreed-upon payment and has not subsequently made up the missed payment.

ITEM 6. Amend subrule 11.5(6) as follows:

**11.5(6)** *Application of setoff.* DIA shall apply any setoff received as a result of this rule to the individual's ~~food assistance~~ SNAP debts.

Any amount remaining after the setoff shall be released back to the individual.